

**CHUBB**

Chubb North America  
PO Box 910, O'Fallon MO 63366  
Phone: (908) 860-4680  
E-mail: Chris.Moogan@chubb.com

RECEIVED AUG 30 2018

August 27, 2018

VIA REGULAR AND CERTIFIED MAIL

Taiping General Insurance Company  
Zhejiang Branch  
15F, Guangli Building No. 136  
Qingchun Road  
Hangzhou, People's Republic of China

Re:	Our Insured:	Interworks Unlimited, Inc.
	Claimant:	Sheri Wade
	Date of Loss:	01/08/2017
	Our Policy No.:	000036025578
	Our Claim Number:	047517016750
	Company:	Federal Insurance Company
	Your Insured:	Hangzhou Chic Intelligent Technology Co. LTD
	Your Policy Number:	66402126320160000001

Dear Taiping General Insurance Company:

Federal Insurance Company ("Chubb") provides a commercial general liability insurance policy to Interworks Unlimited, Inc ("Interworks"). We have been placed on notice of the above claim with regards to an injury sustained by the claimant Sherri Wade back on 01/08/2017. In summary, it is being alleged that the claimant fell off of an Electric Balancing Scooter causing her to sustain fractures to her left wrist and left elbow. The Electric Balancing Scooter that the claimant alleges to have been using at the time of her fall was an "Interworks Unlimited High Roller Hoverboard Smart-C", serial number 64091610120117. This scooter was manufactured by your insured, Hangzhou Chic Intelligent Technology Co. Ltd ("Hangzhou").

As per the product distribution agreement that was established between Interworks and Hangzhou, Hangzhou has agreed to defend, hold-harmless and indemnify InterWorks for any and all claims arising out of any defects with the products or out of any failure of the products to include any instructions, warnings, restrictions etc... Furthermore, Hangzhou agreed to purchase their own commercial general liability insurance policy which names Interworks as an additional insured under the policy. Please see the applicable wording taken from the product distribution agreement shown below:

#### 12. Indemnification.

By Vendor. Vendor shall defend, hold-harmless and indemnify InterWorks...from any and all lawsuits, claims, demands, actions, liabilities, damages, costs and expenses (including reasonable attorney's fees and expenses) which InterWorks may incur or suffer as a result of any claim of any kind whatsoever arising out of:

- i) The breach of any warranty, representation or agreement made or undertaken by Vendor in this Agreement.
- ii) Violation of any law, statute, ordinance...relating to the Products, or to any of its components, or to its manufacture, shipment, labeling, use or sale, or to any failure to provide a Material Safety Data sheet or certification upon InterWorks request.
- iii) Bodily injury, sickness, disease or death of any person or persons...caused by defects in the Products (including but not limited to latent defects) or the actual or alleged failure of the Products to include...instructions, warnings, restrictions, accurate descriptions or other materials required by, or to otherwise comply with the Laws, as well as any other voluntary industry standards such as those published by UL, CPSC, or other independent standards organizations...applicable to the distribution, sale, offering for sale, installation...of such products.

18. Insurance. Vendor is required to obtain and maintain, at Vendor's sole expense, the following insurance coverages ("the "Insurance Policies"):

Commercial General Liability Coverage...with InterWorks named as an Additional Insured...with limits no less than \$3,000,000 per occurrence...and umbrella liability limits of at least \$8,000,000 per occurrence

e. Primary Coverage. The Insurance Policies shall include a Vendor's liability endorsement naming InterWorks's as an additional insured and shall be primary over and not contributory with any insurance carried by InterWorks.

As a result, Chubb requests that you have a claim set up on behalf of your insured for this matter. We also request that you respond in writing to this letter agreeing to defend, indemnify, hold-harmless as well as provide our insured with additional insured coverage under your policy on a primary and non-contributory basis, as per the product distribution agreement.

Thank you.

Sincerely,

Chris Moogan, CPCU, ARM, AIC  
Senior Claim Specialist  
(908) 860-4680  
[Chris.Moogan@chubb.com](mailto:Chris.Moogan@chubb.com)

CC: Interworks Unlimited, Inc.

CC: Reid Goodwin Attorneys at Law  
4116 Fitzhugh Ave.  
Richmond, VA 23230